

AGREEMENT BY AND BETWEEN
1st National Bank
Lebanon, Ohio
and
The Office of the Comptroller of the Currency

AA-CE-2024-27

1st National Bank, Lebanon, Ohio (“Bank”) and the Office of the Comptroller of the Currency (“OCC”) wish to assure the safety and soundness of the Bank and its compliance with laws and regulations.

The Comptroller of the Currency (“Comptroller”) has found unsafe or unsound practice(s), including those relating to strategic planning, capital planning, liquidity risk management, and interest rate risk management.

Therefore, the OCC, through the duly authorized representative of the Comptroller, and the Bank, through its duly elected and acting Board of Directors (“Board”), hereby agree that the Bank shall operate at all times in compliance with the following:

ARTICLE I

JURISDICTION

(1) The Bank is an “insured depository institution” as that term is defined in 12 U.S.C. § 1813(c)(2).

(2) The Bank is a national banking association within the meaning of 12 U.S.C. § 1813(q)(1)(A), and is chartered and examined by the OCC. *See* 12 U.S.C. § 1 *et seq.*

(3) The OCC is the “appropriate Federal banking agency” as that term is defined in 12 U.S.C. § 1813(q).

ARTICLE II

COMPLIANCE COMMITTEE

(1) Within forty-five (45) days of this Agreement, the Board shall appoint a Compliance Committee of at least three (3) members, all of whom shall be directors who are not employees or officers of the Bank or any of its subsidiaries or affiliates. The Board shall submit in writing to the Assistant Deputy Comptroller (“ADC”) the names of the members of the Compliance Committee within ten (10) days of their appointment. In the event of a change of the membership, the Board shall submit in writing to the ADC within ten (10) days the name of any new or resigning committee member. The Compliance Committee shall monitor and oversee the Bank’s compliance with the provisions of this Agreement. The Compliance Committee shall meet at least quarterly and maintain minutes of its meetings.

(2) Within ninety (90) days of the date of this Agreement, and thereafter within thirty (30) days after the end of each quarter, the Compliance Committee shall submit to the Board a written progress report setting forth in detail:

- (a) a description of the corrective actions needed to achieve compliance with each Article of this Agreement;
- (b) the specific corrective actions undertaken to comply with each Article of this Agreement; and
- (c) the results and status of the corrective actions.

(3) Upon receiving each written progress report, the Board shall forward a copy of the report, with any additional comments by the Board, to the ADC within ten (10) days of the first Board meeting following the Board’s receipt of such report.

ARTICLE III
STRATEGIC PLAN

(1) Within forty-five (45) days of the date of this Agreement, the Board shall submit to the ADC for review and prior written determination of no supervisory objection an acceptable revised written strategic plan for the Bank, covering at least a three-year period (“Strategic Plan”). The Strategic Plan shall establish objectives for the Bank’s overall risk profile, earnings performance, growth, balance sheet mix, off-balance sheet activities, liability structure, capital and liquidity adequacy, and product line development, and market segments that the Bank intends to promote or develop, together with strategies to achieve those objectives, and shall, at a minimum, include:

- (a) the strategic goals and objectives to be accomplished, including key financial indicators, risk tolerances, and realistic strategies to improve the overall condition of the Bank;
- (b) a risk profile that evaluates credit, interest rate, liquidity, price, operational, compliance, strategic, and reputation risks in relationship to capital;
- (c) a realistic and comprehensive budget that corresponds to the Strategic Plan’s goals and objectives;
- (d) an action plan to improve and sustain the Bank’s earnings and accomplish identified strategic goals and objectives;
- (e) a financial forecast to include projections for significant balance sheet and income statement accounts and desired financial ratios over the period covered by the Strategic Plan;

- (f) Specific plans for the maintenance of adequate capital that may in no event be less than the requirements of Article IV;
- (g) a detailed description and assessment of major capital expenditures required to achieve the goals and objectives of the Strategic Plan;
- (h) an identification and prioritization of initiatives and opportunities, including timeframes that comply with the requirements of this Agreement;
- (i) assigned roles, responsibilities, and accountability for the strategic planning process; and
- (j) a description of systems and metrics designed to monitor the Bank's progress in meeting the Strategic Plan's goals and objectives.

(2) Within thirty (30) days following the Board's receipt of the ADC's written determination of no supervisory objection to the revised Strategic Plan or to any subsequent update or amendment to the Strategic Plan, the Board shall adopt and Bank management, subject to Board review and ongoing monitoring, shall immediately implement and thereafter ensure adherence to the Strategic Plan. The Board shall review the effectiveness of the Strategic Plan and update the Strategic Plan to cover the next three-year period at least annually, and more frequently if necessary or if required by the OCC in writing. The Board shall amend the Strategic Plan as needed or directed by the OCC. Any update or amendment to the Strategic Plan must be submitted to the ADC for review and prior written determination of no supervisory objection.

(3) Until the Strategic Plan required under this Article has been submitted by the Bank for the ADC's review, has received a written determination of no supervisory objection from the ADC, and has been adopted by the Board, the Bank shall not significantly deviate from

the products, services, asset composition and size, funding sources, structure, operations, policies, procedures, and markets of the Bank that existed immediately before the effective date of this Formal Agreement without first obtaining the ADC's prior written determination of no supervisory objection to such significant deviation.

(4) The Bank may not initiate any action that significantly deviates from a Strategic Plan (that has received written determination of no supervisory objection from the ADC and has been adopted by the Board) without a prior written determination of no supervisory objection from the ADC.

(5) Any request by the Bank for prior written determination of no supervisory objection to a significant deviation described in paragraphs (3) or (4) of this Article shall be submitted in writing to the ADC at least sixty (60) days in advance of the proposed significant deviation. Such written request by the Bank shall include an assessment of the effects of such proposed change on the Bank's condition and risk profile, including a profitability analysis and an evaluation of the adequacy of the Bank's organizational structure, staffing, management information systems, internal controls, and written policies and procedures to identify, measure, monitor, and control the risks associated with the proposed change.

(6) For the purposes of this Article, changes that may constitute a significant deviation include, but are not limited to, a change in the Bank's markets, marketing strategies, products and services, marketing partners, underwriting practices and standards, credit administration, account management, collection strategies or operations, fee structure or pricing, accounting processes and practices, asset composition and size, or funding strategy, any of which, alone or in the aggregate, may have a material effect on the Bank's operations or financial

performance; or any other changes in personnel, operations, or external factors that may have a material effect on the Bank's operations or financial performance.

(7) Within thirty (30) days after the end of each quarter, a written evaluation of the Bank's performance against the Strategic Plan shall be prepared by Bank management and submitted to the Board. Within thirty (30) days after submission of the evaluation, the Board shall review the evaluation and determine the corrective actions the Board will require Bank management to take to address any identified shortcomings. The Board's review of the evaluation and discussion of any required corrective actions to address any identified shortcomings shall be documented in the Board's meeting minutes. Upon completion of the Board's review, the Board shall submit to the ADC a copy of the evaluation as well as a detailed description of the corrective actions the Board will require the Bank to take to address any identified shortcomings.

ARTICLE IV

CAPITAL PLAN

(1) Within sixty (60) days of the date of this Agreement, the Board shall adopt an effective internal capital planning process to assess the Bank's capital adequacy in relation to its overall risks and to ensure maintenance of appropriate capital levels. Thereafter, management shall implement, and the Board shall verify, no less than annually, adherence to the capital planning process. The capital planning process shall be consistent with safe and sound practices and ensure the integrity, objectivity, and consistency of the process through adequate governance. Refer to the "Capital and Dividends" booklet of the *Comptroller's Handbook*. The Board shall document the initial capital planning process and thereafter review and document the

capital planning process at least annually or more frequently, if appropriate, or required by the ADC in writing.

(2) Within sixty (60) days of the date of this Agreement, the Board shall submit to the ADC for review and prior written determination of no supervisory objection an acceptable revised written capital plan for the Bank, consistent with the Strategic Plan required by Article III, covering at least a three-year period (“Capital Plan”). Refer to “Capital and Dividends” booklet of the *Comptroller’s Handbook*.

(3) The Bank’s Capital Plan shall, at a minimum:

- (a) include specific plans for the achievement and maintenance of adequate capital;
- (b) identify and evaluate all material risks;
- (c) determine the Bank’s capital needs and limits in relation to material risks and strategic direction;
- (d) identify and establish a strategy to maintain capital and strengthen capital if necessary and establish a contingency or back-up capital plan commensurate with the Bank’s overall risk and complexity;
- (e) include detailed quarterly financial projections which shall be consistent with the Strategic Plan required by Article III; and
- (f) include specific plans detailing how the Bank will comply with restrictions or requirements set forth in this Agreement that will have an impact on the Bank’s capital.

(4) The Bank may declare or pay a dividend or make a capital distribution only:

- (a) when the Bank is in compliance with its Board-approved Capital Plan and would remain in compliance with such Capital Plan immediately following the declaration or payment of any dividend or capital distribution;
- (b) when the dividend or capital distribution would comply with 12 U.S.C. §§ 56, 60 and 1831o(d)(1) and 12 C.F.R. § 3.11(a)(4); and
- (c) following the ADC's prior written determination of no supervisory objection to the dividend or capital distribution.

(5) Within thirty (30) days following receipt of the ADC's written determination of no supervisory objection to the Bank's Capital Plan or to any subsequent amendment to the Capital Plan, the Board shall adopt and Bank management, subject to Board review and ongoing monitoring, shall immediately implement and thereafter ensure adherence to the Capital Plan. The Board shall review the effectiveness of the Capital Plan at least annually, no later than January 31 each year, and more frequently if necessary or if required by the OCC in writing, and amend the Capital Plan as needed or directed by the OCC. Any amendment to the Capital Plan must be submitted to the ADC for review and prior written determination of no supervisory objection.

(6) At least quarterly, the Board shall review financial reports and earnings analyses that evaluate the Bank's performance against the goals and objectives established in the Capital Plan, as well as the Bank's written explanation of significant differences between the actual and projected balance sheet, income statement, and expense accounts, including a description of any extraordinary and/or nonrecurring items. This review shall include a description of the actions the Board and management will take to address any deficiencies. At least quarterly, management

shall prepare, and the Board shall review, a written evaluation of the Bank's performance against the Capital Plan, which shall include a description of the actions the Board and management will take to address any deficiencies. The Board's quarterly reviews and quarterly written evaluations shall be documented in the Board meeting minutes. The Board shall forward a copy of these quarterly reviews and quarterly written evaluations and Board meeting minutes to the ADC within thirty (30) days of completion of its quarterly reviews and quarterly written evaluations, respectively.

(7) If the Bank fails to submit a Capital Plan as required by paragraph (2) of this Article, or fails to implement a Capital Plan to which the ADC has provided a written determination of no supervisory objection, then the Bank may, in the ADC's sole discretion, be deemed undercapitalized for purposes of this Agreement. Following written notification from the ADC that the Bank is deemed undercapitalized for purpose of this Agreement, the Bank shall take such corrective measures as the OCC may direct in writing from among the provisions applicable to undercapitalized depository institutions under 12 U.S.C. § 1831o(e) and 12 C.F.R. Part 6. For purposes of this requirement, an action "necessary to carry out the purpose of this section" under 12 U.S.C. § 1831o(e)(5) shall include any action deemed necessary by the OCC to address the Bank's capital deficiency or the safety and soundness of its operations.

ARTICLE V

BOARD OVERSIGHT AND MANAGEMENT ACCOUNTABILITY

(1) Within thirty (30) days of the effective date of this Agreement, the Board shall develop, adopt, implement, and thereafter ensure the Bank's adherence to a program for corporate governance and Board oversight of the Bank's operation and structure. The Board shall

submit a copy of this program to the ADC within ten (10) days of its adoption. At a minimum, the Board shall ensure that the program addresses the following:

- (a) an independent third-party review of the Board's oversight and supervision of management to include:
 - (i) an assessment of individual director's and the Board's overall strengths and weaknesses and creation of a plan for a director education program to address identified weaknesses;
 - (ii) an assessment of whether Board members are receiving adequate information on Bank operations to enable them to fulfill their fiduciary responsibilities;
 - (iii) recommendations, as necessary, for the expansion of the scope, frequency, and sufficiency of information provided to the Board by management; and
 - (iv) identification of any deficiencies in current management's performance of their duties and development and implementation of a written program designed to ensure officers have the requisite skills and abilities necessary to supervise effectively and perform their duties on an ongoing basis;

Within thirty (30) days of the effective date of this Agreement, the Bank shall submit to the ADC for prior written determination of no supervisory objection, the name and qualifications of a proposed independent, third-party consultant to conduct this review and provide a written report on the issues outlined in subsections (i) through (iv) above;

- (b) processes and procedures to ensure the Board receives and reviews sufficient information from management, including scope, frequency, and content of the information, to enable the Board to oversee the Bank's operations in a safe and sound manner, make informed decisions, oversee the Bank's compliance with laws and regulations, oversee compliance with this Agreement, and fulfill their fiduciary duties and other responsibilities under law; Refer to the OCC "Director's Book" (November 2020) and OCC Corporate and Risk Governance Booklet of the Comptroller's Handbook (July 2019);
- (c) periodic audits to validate the integrity of the information provided to the board by management; and
- (d) processes and procedures to ensure Board oversight and management accountability to address compliance with the terms of this Agreement.

(2) Within thirty (30) days of the effective date of this Agreement, the Board shall establish, and review at least annually, the objectives by which Executive Officers', as well as the President and Executive Vice Presidents, effectiveness will be measured. The Board shall perform and prepare an annual written performance appraisal for each Bank senior executive officer that evaluates performance according to the position's description and responsibilities, adherence to the Strategic Plan mandated in Article III above, objectives established by the Board, and the effectiveness of developing and successfully implementing action plans to address and remedy issues raised in this Agreement, Reports of Examination or audit reports. Upon completion, copies of each performance appraisal shall be submitted to the ADC.

(3) Within sixty (60) days of the effective date of this Article, and on an ongoing basis thereafter, the Board shall ensure that the Bank has competent management in place on a permanent and full-time basis, including but not limited to the Chief Executive Officer, President, and Executive Vice President positions, vested with sufficient authority to fulfill the duties and responsibilities of the position, carry out the Board's policies, ensure the Bank's adherence to corporate governance and decision-making processes, ensure compliance with this Agreement, applicable laws, rules and regulations, and manage the day-to-day operations of the Bank in a safe and sound manner within the scope of that position's responsibilities.

(4) For incumbent officers in the positions listed in paragraph (3) of this Article, the Board shall, within sixty (60) days of the effective date of this Agreement, assess each of these officer's experience, qualifications and performance compared to the position's description, duties and responsibilities, as well as their capabilities to perform present and anticipated duties and determine whether management changes will be made, including the need for additions to or deletions from current management.

(5) If the Board determines that an officer will continue in his or her position, but that the officer's depth of skills needs improvement, the Board shall within fifteen (15) days of such determination, develop and implement a written program, with specific time frames, to improve the officer's supervision and management of the Bank. At a minimum, the written program shall include:

- (a) an education program designed to ensure that the officer has skills and abilities necessary to supervise effectively;
- (b) a program to improve the effectiveness of the officer;
- (c) objectives by which the officer's effectiveness will be measured; and

- (d) a performance appraisal program and projected timeline for evaluating performance according to the position's description and responsibilities and for measuring performance against the Bank's goals and objectives.

Upon completion, a copy of the written program shall be submitted to the ADC.

(6) If any position specified in paragraph (2) or (3) of this Article becomes vacant, the Board shall, within ninety (90) days of such vacancy, identify and appoint a capable person to the vacant position, subject to the requirements of 12 C.F.R. § 5.51, who shall be vested with sufficient executive authority, time, and resources to ensure the Bank's compliance with this Agreement and the safe and sound operation of functions within the scope of that position's responsibility.

ARTICLE VI

APPOINTMENT OF NEW DIRECTOR(S)

(1) Within thirty (30) days of the date of this Agreement, the Board shall identify and provide written notice to the ADC of a least one (1) new independent director. As used in this paragraph, the term "independent director" means a person who is not: an officer or employee of the Bank; a director, officer or employee of any affiliate of the Bank; a director, officer or employee of any related interest (as that term is defined in 12 C.F.R. Part 215) of any current director; and who is not a relative of any such person described above.

(2) The Board shall comply with the prior notice requirements of 12 U.S.C. § 1831i and 12 C.F.R. § 5.51 when selecting an individual to serve as director of the Bank. This written notice shall be filed pursuant to 12 U.S.C. § 1831i and 12 C.F.R. § 5.51 and contain the information required by 12 C.F.R. § 5.51 (notice forms and instructions in the "Changes in

Directors and Senior Executive Officers” and “Background Investigations” booklets of the Comptroller’s Licensing Manual).

(3) If the Board is unable to identify any qualified director candidate(s) and provide the prior written notice required by 12 U.S.C. § 1831i and 12 C.F.R. § 5.51 within thirty (30) days of the date of this Agreement, the Board shall immediately provide the ADC with a written summary and documentation of its efforts to identify such candidates. Thereafter, the Board shall provide quarterly written reports to the Assistant Deputy Comptroller summarizing and documenting its continuing efforts to identify such candidates.

ARTICLE VII

LIQUIDITY RISK MANAGEMENT

(1) Within sixty (60) days of the date of this Agreement, the Board shall submit to the ADC for review and prior written determination of no supervisory objection an acceptable written Liquidity Risk Management Program (“Liquidity Program”) for the Bank. The Liquidity Program shall provide for the identification, measurement, monitoring, and control of the Bank’s liquidity risk exposure, and shall emphasize the importance of cash flow projections, diversified funding sources, a cushion of highly liquid assets, robust liquidity stress testing scenario analyses, and a formal, well-developed contingency funding plan as primary tools for measuring and managing liquidity risk. Refer to the “Interagency Policy Statement on Funding and Liquidity Risk Management,” dated March 22, 2010, (OCC Bulletin 2010-13); the “Addendum to the Interagency Policy Statement on Funding and Liquidity Risk Management: Importance of Contingency Funding Plans,” dated July 28, 2023, and the “Liquidity” booklet of the Comptroller’s Handbook, for guidance.

(2) In addition to the general requirements set forth above, the Bank's Liquidity Program shall, at a minimum:

- (a) include appropriate policies and procedures for identifying, measuring, monitoring, and controlling liquidity risk exposures, that includes at a minimum:
 - (i) procedures to ensure that sufficient funds or access to funds exist to meet such cash flow needs under both expected and adverse conditions, including an adequate cushion to meet any unanticipated cash flow needs;
 - (ii) procedures and reporting to assess the risks related to deposit runoff, rollovers, wholesale, and alternative funding sources; and
 - (iii) assignment of accountability and procedures to monitor, escalate, and address any breaches of established liquidity limits.
- (b) provide adequate risk measurement and monitoring systems, including processes and reporting to assess, on an ongoing basis, the Bank's current and projected funding needs, including the development of cash flow projections under both expected and adverse conditions, and considering the changes in depositor behavior, interest rates and capital levels;
- (c) detailed identification of sources of liquidity to meet projected shortfalls from existing sources under both expected and adverse conditions; and
- (d) include a Contingency Funding Plan that incorporates, at a minimum:

- (i) the identification of plausible stress events relating to internal and external events or circumstances, including systemic or market events, that could lead to a Bank liquidity crisis;
- (ii) determinations of how each identified stress event will affect the Bank's ability to obtain funding needs under different levels of severity; and
- (iii) a quantitative projection and evaluation of expected funding needs and funding capacity based on realistic assessments of the behaviors of funding providers during stress events.

(3) Within thirty (30) days following receipt of the ADC's written determination of no supervisory objection to the Liquidity Program, the Board shall adopt and Bank management, subject to Board review and ongoing monitoring, shall immediately implement and adhere to the Liquidity Program and any amendments or revisions thereto.

(4) The Board shall review the effectiveness of the Liquidity Program at least annually, and more frequently if necessary or if required by the OCC in writing, and amend the Liquidity Program as needed or directed by the ADC in writing. The Bank shall submit the revised Liquidity Program to ADC for prior written determination of no supervisory objection. At the next Board meeting following receipt of the ADC's written determination of no supervisory objection, the Board shall adopt and Bank management, subject to Board review and ongoing monitoring, shall immediately implement and adhere to the revised Liquidity Program and any amendments or revisions thereto.

ARTICLE VIII

INTEREST RATE RISK MANAGEMENT

(1) Within sixty (60) days of the date of this Agreement, the Bank shall submit to the ADC for review and prior written determination of no supervisory objection an acceptable revised written Interest Rate Risk Program (“IRR Program”). Refer to the “Interest Rate Risk,” booklet of the *Comptroller’s Handbook*; OCC Bulletin 2010-1, “Interagency Advisory on Interest Rate Risk Management,” (Jan. 2010); OCC Bulletin 2012-5, “Interest Rate Risk Management: FAQs on 2010 Interagency Advisory on Interest Rate Risk Management,” (Jan. 2012); and “Model Risk Management,” booklet of the *Comptroller’s Handbook*.

(2) The IRR Program shall include risk management systems to identify, measure, monitor, and control interest rate risk (“IRR”), to include at a minimum:

- (a) the establishment of formal policies, procedures, and governance commensurate with the Bank’s complexity and business activities, to include procedures to monitor, escalate, and address any breaches of established IRR limits;
- (b) accurate and timely risk identification which identify and quantify the major sources and types of IRR;
- (c) the establishment of risk monitoring processes to provide sufficient information on which to base sound IRR management decisions from both an earnings and economic perspective with recognition and consideration of all risks (repricing, basis, yield-curve, and options), to include IRR reporting standards and procedures that specify the frequency and types of

reports senior management and the Board will use to monitor the Bank's IRR that address:

- (i) whether management's strategies are within the Bank's established risk appetite and policy;
 - (ii) the sensitivity of any key assumptions;
 - (iii) whether the Bank holds sufficient capital for its level of IRR; and
 - (iv) whether management's major interest rate strategies balance risk with reward, including at a minimum, an evaluation of a potential adverse rate movement against the potential rewards of a favorable rate movement.
- (d) adequate and documented support for the reasonableness of assumptions used in the Bank's IRR model;
 - (e) periodic review and adjustment, when there are material changes to the Bank's balance sheet and otherwise, as needed, of the assumptions and inputs used in the Bank's IRR model, that includes sensitivity analysis and model stress testing, with appropriate documentation and governance that requires approval for changes;
 - (f) procedures to test the Bank's IRR model to compare, reconcile, and report actual performance to simulated results;
 - (g) procedures that require the Board to review and discuss, on at least a quarterly basis, the model test results required by this Article; and
 - (h) an annual review of the Bank's adherence to the IRR Program.
- (3) Within thirty (30) days following receipt of the ADC's written determination of

no supervisory objection to the IRR Program or to any subsequent amendment to the IRR Program, the Board shall adopt and Bank management, subject to Board review and ongoing monitoring, shall immediately implement and thereafter ensure adherence to the IRR Program. The Board shall review the effectiveness of the IRR Program at least annually, and more frequently if necessary or if required by the ADC in writing, and amend the IRR Program as needed or directed by the ADC. Any amendment to the IRR Program must be submitted to the ADC for review and prior written determination of no supervisory objection.

ARTICLE IX

GENERAL BOARD RESPONSIBILITIES

(1) The Board shall ensure that the Bank has timely adopted and implemented all corrective actions required by this Agreement, and shall verify that the Bank adheres to the corrective actions and they are effective in addressing the Bank's deficiencies that resulted in this Agreement.

(2) In each instance in which this Agreement imposes responsibilities upon the Board, it is intended to mean that the Board shall:

- (a) authorize, direct, and adopt corrective actions on behalf of the Bank as may be necessary to perform the obligations and undertakings imposed on the Board by this Agreement;
- (b) ensure that the Bank has sufficient processes, management, personnel, control systems, and corporate and risk governance to implement and adhere to all provisions of this Agreement;

- (c) require that Bank management and personnel have sufficient training and authority to execute their duties and responsibilities pertaining to or resulting from this Agreement;
- (d) hold Bank management and personnel accountable for executing their duties and responsibilities pertaining to or resulting from this Agreement;
- (e) require appropriate, adequate, and timely reporting to the Board by Bank management of corrective actions directed by the Board to be taken under the terms of this Agreement; and
- (f) address any noncompliance with corrective actions in a timely and appropriate manner.

ARTICLE X

OTHER PROVISIONS

(1) As a result of this Agreement, pursuant to 12 C.F.R. § 5.51(c)(7)(ii), the Bank is in “troubled condition,” and is not an “eligible bank” for purposes of 12 C.F.R. § 5.3 or 12 C.F.R. § 24.2(e), unless otherwise informed in writing by the OCC.

(2) This Agreement supersedes all prior OCC communications issued pursuant to 12 C.F.R. §§ 5.3, 5.51(c)(7)(ii), and 24.2(e)(4).

ARTICLE XI

CLOSING

(1) This Agreement is intended to be, and shall be construed to be, a “written agreement” within the meaning of 12 U.S.C. § 1818, and expressly does not form, and may not

be construed to form, a contract binding on the United States, the OCC, or any officer, employee, or agent of the OCC. Notwithstanding the absence of mutuality of obligation, or of consideration, or of a contract, the OCC may enforce any of the commitments or obligations herein undertaken by the Bank under its supervisory powers, including 12 U.S.C. § 1818(b)(1), and not as a matter of contract law. The Bank expressly acknowledges that neither the Bank nor the OCC has any intention to enter into a contract. The Bank also expressly acknowledges that no officer, employee, or agent of the OCC has statutory or other authority to bind the United States, the U.S. Treasury Department, the OCC, or any other federal bank regulatory agency or entity, or any officer, employee, or agent of any of those entities to a contract affecting the OCC's exercise of its supervisory responsibilities.

(2) This Agreement is effective upon its issuance by the OCC, through the Comptroller's duly authorized representative. Except as otherwise expressly provided herein, all references to "days" in this Agreement shall mean calendar days and the computation of any period of time imposed by this Agreement shall not include the date of the act or event that commences the period of time.

(3) The provisions of this Agreement shall remain effective and enforceable except to the extent that, and until such time as, such provisions are amended, suspended, waived, or terminated in writing by the OCC, through the Comptroller's duly authorized representative. If the Bank seeks an extension, amendment, suspension, waiver, or termination of any provision of this Agreement, the Board or a Board-designee shall submit a written request to the ADC asking for the desired relief. Any request submitted pursuant to this paragraph shall include a statement setting forth in detail the special circumstances that warrant the desired relief or prevent the Bank from complying with the relevant provision(s) of the Agreement, and shall be accompanied by

relevant supporting documentation. The OCC's decision concerning a request submitted pursuant to this paragraph, which will be communicated to the Board in writing, is final and not subject to further review.

(4) The Bank will not be deemed to be in compliance with this Agreement until it has adopted, implemented, and adhered to all of the corrective actions set forth in each Article of this Agreement; the corrective actions are effective in addressing the Bank's deficiencies; and the OCC has verified and validated the corrective actions. An assessment of the effectiveness of the corrective actions requires sufficient passage of time to demonstrate the sustained effectiveness of the corrective actions.

(5) Each citation, issuance, or guidance referenced in this Agreement includes any subsequent citation, issuance, or guidance that replaces, supersedes, amends, or revises the referenced cited citation, issuance, or guidance.

(6) No separate promise or inducement of any kind has been made by the OCC, or by its officers, employees, or agents, to cause or induce the Bank to enter into this Agreement.

(7) All reports, plans, or programs submitted to the OCC pursuant to this Agreement shall be forwarded, by overnight mail or via email, to the ADC.

(8) The terms of this Agreement, including this paragraph, are not subject to amendment or modification by any extraneous expression, prior agreements, or prior arrangements between the parties, whether oral or written.

IN TESTIMONY WHEREOF, the undersigned, authorized by the Comptroller as his duly authorized representative, has hereunto set his signature on behalf of the Comptroller.

/s/ 7/25/24

Brandon Bonds Sr.
Assistant Deputy Comptroller
Central Ohio – Indiana Office

IN TESTIMONY WHEREOF, the undersigned, as the duly elected and acting Board of Directors of 1st National Bank, Lebanon, Ohio have hereunto set their signatures on behalf of the Bank.

//s// Digitally Signed, Dated: 7/25/2024

Kathy Brady

Date
7/25/24

/s/

Joseph Cesta

Date
7/25/24

/s/

Robert Harlow

Date
7-25-24

/s/

Alexandra Hickman

Date
7-25-24

Mark Lewis

Date

/s/

7-25-24

Paul Revelson

Date

/s/

7-25-24

Jillora Summers

Date

/s/

7/25/24

Robyn Suna

Date

/s/

7/25/24

Bonnie Williams

Date

/s/

7/25/24

Chad Williams

Date